


STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐

APPLICATION FOR PERMIT TO DRILL				1. WELL NAME and NUMBER NBU 921-12P		
2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>				3. FIELD OR WILDCAT NATURAL BUTTES		
4. TYPE OF WELL Gas Well Coalbed Methane Well: NO				5. UNIT or COMMUNITIZATION AGREEMENT NAME NATURAL BUTTES		
6. NAME OF OPERATOR KERR-MCGEE OIL & GAS ONSHORE, L.P.				7. OPERATOR PHONE 720 929-6587		
8. ADDRESS OF OPERATOR P.O. Box 173779, Denver, CO, 80217				9. OPERATOR E-MAIL mary.mondragon@anadarko.com		
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) UTU 01193		11. MINERAL OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>		12. SURFACE OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>		
13. NAME OF SURFACE OWNER (if box 12 = 'fee')				14. SURFACE OWNER PHONE (if box 12 = 'fee')		
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')				16. SURFACE OWNER E-MAIL (if box 12 = 'fee')		
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN') Ute Tribe		18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input checked="" type="checkbox"/> (Submit Commingling Application) NO <input type="checkbox"/>		19. SLANT VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>		
20. LOCATION OF WELL	FOOTAGES	QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN
LOCATION AT SURFACE	1128 FSL 1300 FEL	SESE	12	9.0 S	21.0 E	S
Top of Uppermost Producing Zone	1128 FSL 1300 FEL	SESE	12	9.0 S	21.0 E	S
At Total Depth	1128 FSL 1300 FEL	SESE	12	9.0 S	21.0 E	S
21. COUNTY UINTAH		22. DISTANCE TO NEAREST LEASE LINE (Feet) 1128		23. NUMBER OF ACRES IN DRILLING UNIT 1920		
		25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 800		26. PROPOSED DEPTH MD: 10100 TVD: 10100		
27. ELEVATION - GROUND LEVEL 4839		28. BOND NUMBER WYB000291		29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE Permit #43-8496		
ATTACHMENTS						
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES						
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER			<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN			
<input type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)			<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER			
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)			<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP			
NAME Danielle Piernot		TITLE Regulatory Analyst		PHONE 720 929-6156		
SIGNATURE		DATE 12/18/2009		EMAIL danielle.piernot@anadarko.com		
API NUMBER ASSIGNED 43047508670000		APPROVAL  Permit Manager				

Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Prod	7.875	4.5	0	10100		
Pipe	Grade	Length	Weight			
	Grade HCP-110 LT&C	500	11.6			
	Grade I-80 Buttruss	9600	11.6			

Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Surf	11	8.625	0	2705		
Pipe	Grade	Length	Weight			
	Grade I-80 LT&C	2705	28.0			

NBU 921-12P

Surface: 1,128' FSL 1,300' FEL (SE/4SE/4)
Sec. 12 T9S R21E

Uintah, Utah
Mineral Lease: UTU 01193
Surface Owner: Ute Indian Tribe
Operator: Kerr-McGee Oil & Gas Onshore LP

ONSHORE ORDER NO. 1

DRILLING PROGRAM

**1. – 2. Estimated Tops of Important Geologic Markers:
Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:**

<u>Formation</u>	<u>Depth</u>	<u>Resource</u>
Uinta	0 – Surface	
Green River	1,820'	
Birds Nest	2,138'	Water
Mahogany	2,504'	Water
Wasatch	5,129'	Gas
Mesaverde	7,904'	Gas
MVU2	8,767'	Gas
MVL1	9,301'	Gas
TD	10,100'	

3. Pressure Control Equipment (Schematic Attached)

Please refer to the attached Drilling Program.

4. Proposed Casing & Cementing Program:

Please refer to the attached Drilling Program.

5. Drilling Fluids Program:

Please refer to the attached Drilling Program.

6. Evaluation Program:

Please refer to the attached Drilling Program.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 10,100' TD, approximately equals 6,293 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 4,071 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

Drilling is planned to commence immediately upon approval of this application.

9. **Variances:**

Please refer to the attached Drilling Program.

Onshore Order #2 – Air Drilling Variance

Kerr-McGee Oil & Gas Onshore LP (KMG) respectfully requests a variance to several requirements associated with air drilling outlined in Onshore Order 2

- *Blowout Prevention Equipment (BOPE) requirements;*
- *Mud program requirements; and*
- *Special drilling operation (surface equipment placement) requirements associated with air drilling.*

This Standard Operating Practices addendum provides supporting information as to why KMG current air drilling practices for constructing the surface casing hole should be granted a variance to Onshore Order 2 air drilling requirements.

The reader should note that the air rig is used only to construct a stable surface casing hole through a historically difficult lost circulation zone. A conventional rotary rig follows the air rig, and is used to drill and construct the majority of the wellbore.

More notable, KMG has used the air rig layout and procedures outlined below to drill the surface casing hole in approximately 675 wells without incident of blow out or loss of life.

Background

In a typical well, KMG utilizes an air rig for drilling the surface casing hole, an interval from the surface to surface casing depths, which varies in depth from 1,700 to 2,800 feet. The air rig drilling operation does not drill through productive or over pressured formations in KMG field, but does penetrate the Uinta and Green River Formations. The purpose of the air drilling operation is to overcome the severe loss circulation zone in the Green River known as the Bird's Nest while creating a stable hole for the surface casing. The surface casing hole is generally drilled to approximately 500 feet below the Bird's Nest.

Before the surface air rig is mobilized, a rathole rig is utilized to set and cement conductor pipe through a competent surface formation. Generally, the conductor is set at 40 feet. In some cases, conductor may be set deeper in areas that the surface formation is not found competent. This rig also drills the rat and mouse holes in preparation for the surface casing and production string drilling operations.

The air rig is then mobilized to drill the surface casing hole by drilling a 12-1/4 inch hole to just above the Bird's Nest interval with an air hammer. The hammer is then tripped and replaced with a 12-1/4 inch tri-cone bit. The tri-cone bit is used to drill to the surface casing point, approximately 500 feet below the loss circulation zone (Bird's Nest). The 9-5/8 inch surface casing is then run and cemented in place, thereby isolating the lost circulation zone.

KMG fully appreciates Onshore Order 2 well control and safety requirements associated with a typical air drilling operations. However, the requirements of Onshore Order 2 are excessive with respect to the air rig layout and drilling operation procedures that are currently in practice to drill and control the surface casing hole in KMG Fields.

Variance for BOPE Requirements

The air rig operation utilizes a properly lubricated and maintained air bowl diverter system which diverts the drilling returns to a six-inch blooie line. The air bowl is the only piece of BOPE equipment which is installed during drilling operations and is sufficient to contain the air returns associated with this drilling operation. As was discussed earlier, the drilling of the surface hole does not encounter any over pressured or productive zones, and as a result standard BOPE equipment should not be required. In addition, standard drilling practices do not support the use of BOPE on 40 feet of conductor pipe.

Variance for Mud Material Requirements

Onshore Order 2 also states that sufficient quantities of mud materials shall be maintained or readily accessible for the purpose of assuring adequate well control. Once again, the surface hole drilling operations does not encounter over pressured or productive intervals, and as a result there is not a need to control pressure in the surface hole with a mud system. Instead of mud, the air rigs utilize water from the reserve pit for well control, if necessary. A skid pump which is located near the reserve pit (see attachment) will supply the water to the well bore.

Variance for Special Drilling Operation (surface equipment placement) Requirements

Onshore Order 2 requires specific safety distances or setbacks for the placement of associated standard air drilling equipment, wellbore, and reserve pits. The air rigs used to drill the surface holes are not typical of an air rig used to drill a producing hole in other parts of the US. These are smaller in nature and designed to fit a KMG location. The typical air rig layout for drilling surface hole in the field is attached.

Typically the blooie line discharge point is required to be 100 feet from the well bore. In the case of a KMG well, the reserve pit is only 45 feet from the rig and is used for the drill cuttings. The blooie line, which transports the drill cuttings from the well to the reserve pit, subsequently discharges only 45 feet from the well bore.

Typically the air rig compressors are required to be located in the opposite direction from the blooie line and a minimum of 100 feet from the well bore. At the KMG locations, the air rig compressors are approximately 40 feet from the well bore and approximately 60 feet from the blooie line discharge due to the unique air rig design. The air compressors (see attachment) are located on the rig (1250 cfm) and on a standby trailer (1170 cfm). A booster sits between the two compressors and boosts the output from 350 psi to 2000 psi. The design does put the booster and standby compressor opposite from the blooie line.

Lastly, Onshore Order 2 addresses the need for an automatic igniter or continuous pilot light on the blooie line. The air rig does not utilize an igniter as the surface hole drilling operation does not encounter productive formations.

Variance for FIT Requirements

KMG also respectfully requests a variance to Onshore Order 2, Section III, Part Bi, for the pressure integrity test (PIT, also known as a formation integrity test (FIT)). The air rig operation utilizes a 5M BOPE when drilling. This well is not an exploratory well and is being drilled in an area where the formation integrity is well known. Additionally, when an FIT is run with the mud weight as required, the casing shoe frequently breaks down and causes subsequent lost circulation when drilling the entire depth of the well.

Conclusion

The air rig operating procedures and the attached air rig layout have effectively maintained well control while drilling the surface holes in KMG Fields. KMG respectfully requests a variance from Onshore Order 2 with respect to air drilling well control requirements as discussed above.

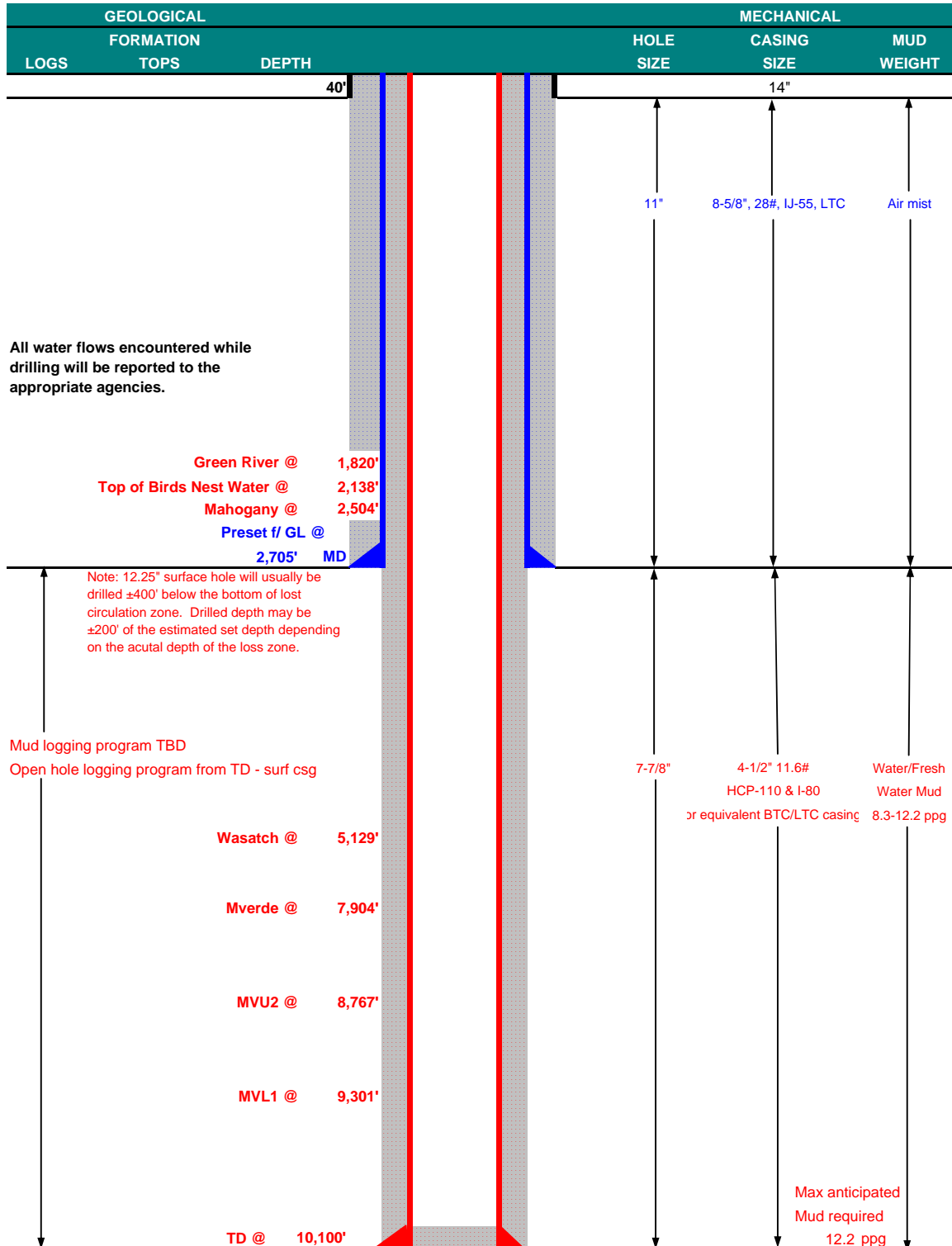
10. Other Information:

Please refer to the attached Drilling Program.



KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP					DATE	December 18, 2009			
WELL NAME	NBU 921-12P					TD	10,100' MD/TVD			
FIELD	Natural Buttes		COUNTY	Uintah		STATE	Utah		FINISHED ELEVATION	4,831'
SURFACE LOCATION	SE/4 SE/4	1,128' FSL	1,300' FEL	Sec 12	T 9S	R 21E			BHL	Straight Hole
	Latitude: 40.046369		Longitude: -109.495370		NAD 83					
OBJECTIVE ZONE(S)	Wasatch/Mesaverde									
ADDITIONAL INFO	Regulatory Agencies: BLM (MINERALS), Ute Tribe (SURFACE), UDOGM, Tri-County Health Dept.									





KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				3,390	1,880	348,000
SURFACE	8-5/8"	0 to 2705	28.00	IJ-55	LTC	0.81*	1.49	4.59
						7,780	6,350	278,000
PRODUCTION	4-1/2"	0 to 9600	11.60	I-80	BTC	1.86	1.04	2.92
						10,690	8,650	279,000
		9600 to 10100	11.60	HCP-110	LTC	2.55	1.35	59.13

*Burst on surface casing is controlled by fracture gradient as shoe with gas gradient above.

D.F. = 1.99

1) Max Anticipated Surf. Press.(MASP) (Surf Csg) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac grad x TVD of next csg point))

2) MASP (Prod Casing) = Pore Pressure at TD - (0.22 psi/ft-partial evac gradient x TD)

(Burst Assumptions: TD = 12.2 ppg)

0.22 psi/ft = gradient for partially evac wellbore

(Collapse Assumption: Fully Evacuated Casing, Max MW)

(Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

MASP 4,071 psi

3) Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD

(Burst Assumptions: TD = 12.2 ppg)

0.62 psi/ft = bottomhole gradient

(Collapse Assumption: Fully Evacuated Casing, Max MW)

(Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

MABHP 6,293 psi

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500'	Premium cmt + 2% CaCl	215	60%	15.60	1.18
			+ 0.25 pps flocele				
Option 1							
	TOP OUT CMT (6 jobs)	1,200'	20 gals sodium silicate + Premium cmt	260	0%	15.60	1.18
			+ 2% CaCl + 0.25 pps flocele				
			Premium cmt + 2% CaCl				
SURFACE		NOTE: If well will circulate water to surface, option 2 will be utilized					
Option 2	LEAD	2,205'	Prem cmt + 16% Gel + 10 pps gilsonite	200	35%	11.00	3.82
			+ 0.25 pps Flocele + 3% salt BWOC				
	TAIL	500	Premium cmt + 2% CaCl	150	35%	15.60	1.18
			+ 0.25 pps flocele				
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	4,620'	Premium Lite II + 0.25 pps celloflake +	370	40%	11.00	3.38
			5 pps gilsonite + 10% gel '+' 1% Retarder				
	TAIL	5,480'	50/50 Poz/G + 10% salt + 2% gel	1,340	40%	14.30	1.31
			+ 0.1% R-3				

*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

*Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint for a total of 15 bow spring centralizers.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 5M with one annular and 2 rams. The BOPE will be installed before the production hole is drilled and tested to 5,000 psi (annular to 2,500 psi) prior to drilling out the surface casing shoe. Record on chart recorder and tour sheet. Function test rams on each trip. Maintain safety valve and inside BOP on rig floor at all times. Most rigs have top drives; however, if used, the Kelly is to be equipped with upper and lower kelly valves.

Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER:

John Huycke / Emile Goodwin

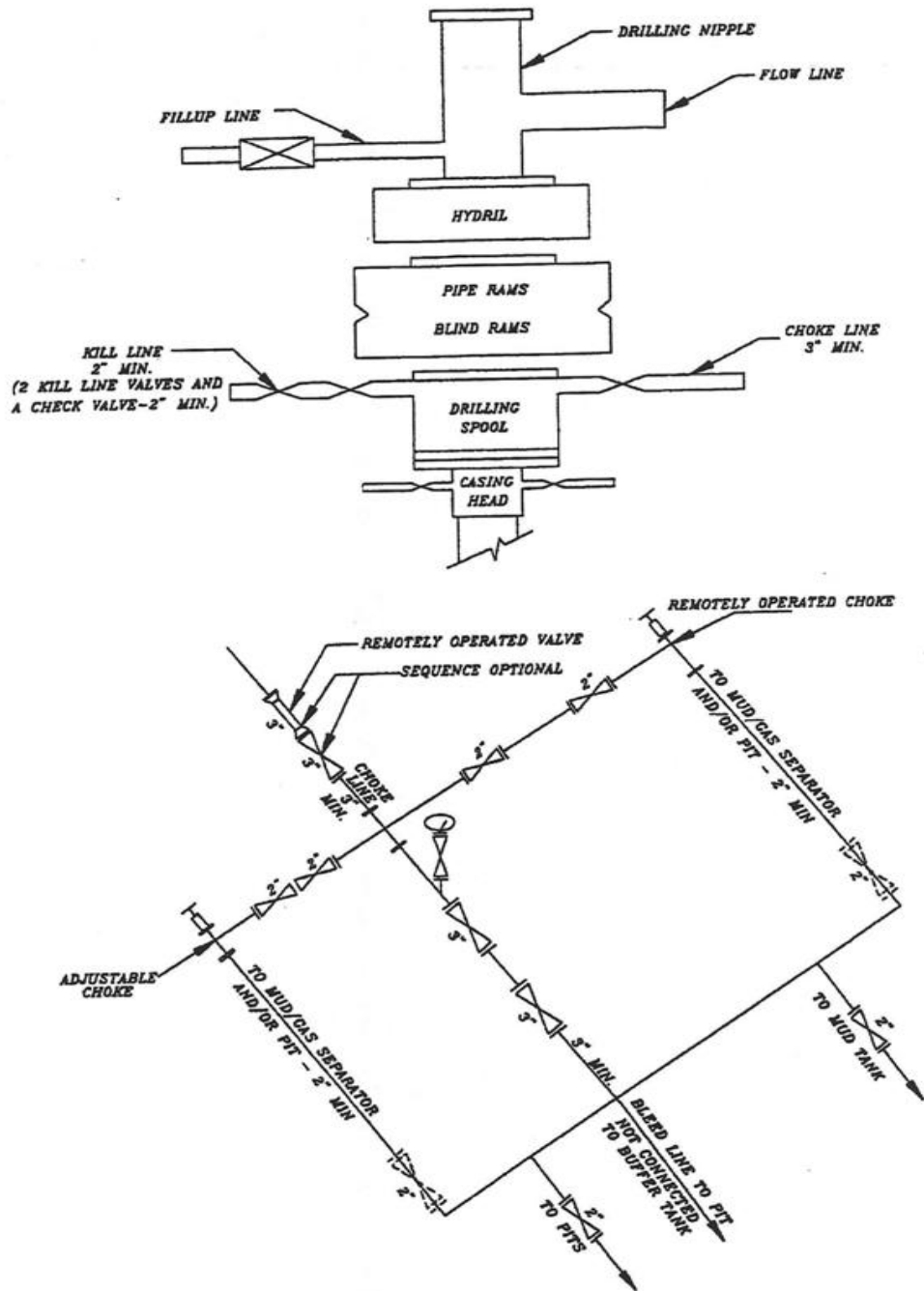
DATE:

DRILLING SUPERINTENDENT:

John Merkel / Lovel Young

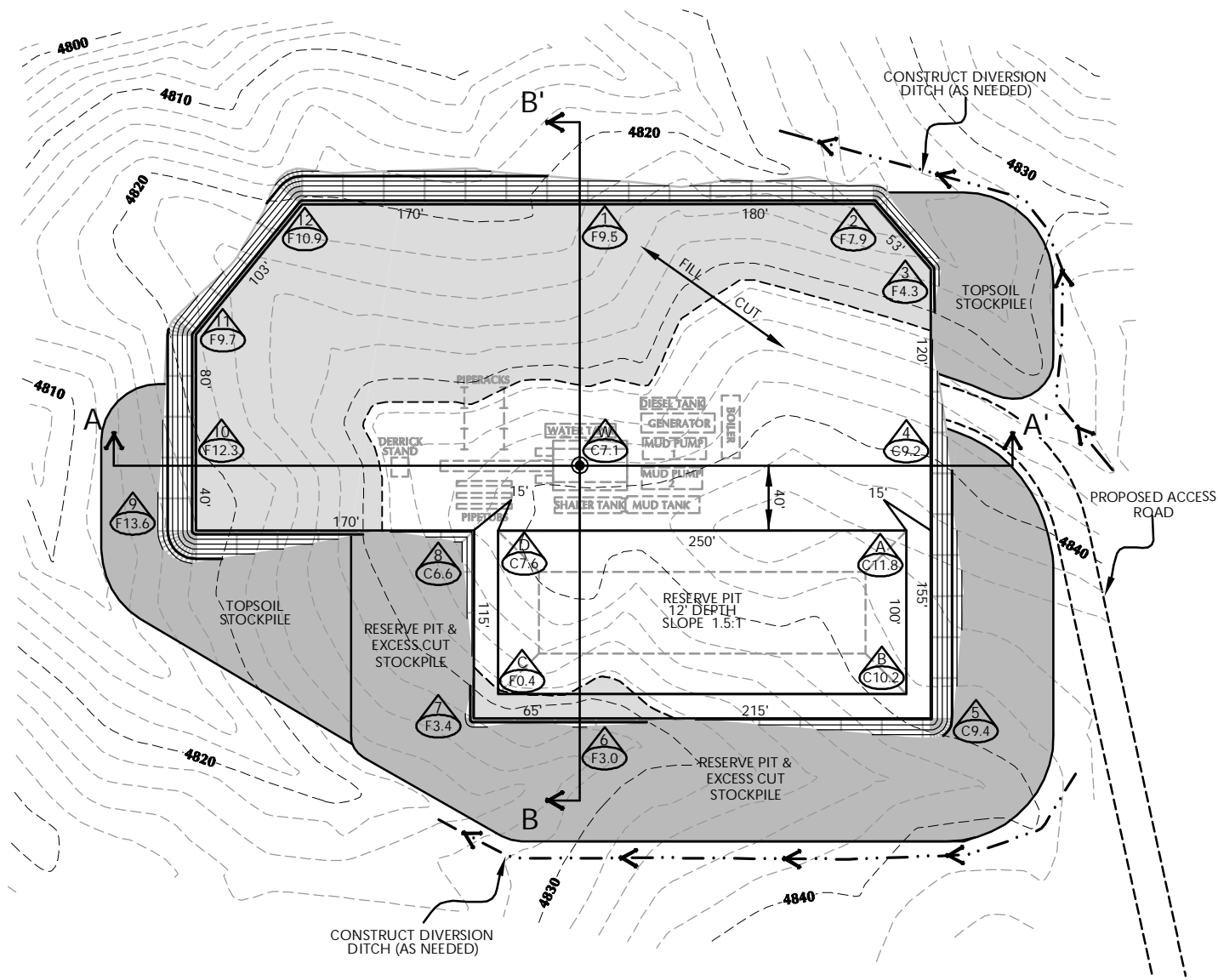
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EXHIBIT A NBU 921-12P



SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK

'APIWellNo:43047508670000'
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WELL PAD LEGEND

- WELL LOCATION
- - - EXISTING CONTOURS (2' INTERVAL)
- PROPOSED CONTOURS (2' INTERVAL)

WELL PAD NBU 921-12P QUANTITIES

EXISTING GRADE @ LOC. STAKE = 4838.5'
FINISHED GRADE ELEVATION = 4831.4'
CUT SLOPES = 1.5:1
FILL SLOPES = 1.5:1

TOTAL CUT FOR WELL PAD = 16,264 C.Y.
TOTAL FILL FOR WELL PAD = 15,060 C.Y.
TOPSOIL @ 6" DEPTH = 2,529 C.Y.
EXCESS MATERIAL = 1,204 C.Y.
TOTAL PAD DISTURBANCE = 3.14 ACRES
SHRINKAGE FACTOR = 1.10
SWELL FACTOR = 1.00
RESERVE PIT CAPACITY (2' OF FREEBOARD)
+/- 32,370 BARRELS
RESERVE PIT VOLUME
+/- 8,510 CY

Kerr-McGee Oil & Gas Onshore, LP

1099 18th Street - Denver, Colorado 80202

WELL PAD - NBU 921-12P

WELL PAD - LOCATION LAYOUT

NBU 921-12P

1128' FSL, 1300' FEL

SE1/4 SE1/4 OF SECTION 12, T9S, R21E

S.L.B.&M., UINTAH COUNTY, UTAH



CONSULTING, LLC
371 Coffeen Avenue
Sheridan WY 82801
Phone 307-674-0609
Fax 307-674-0182

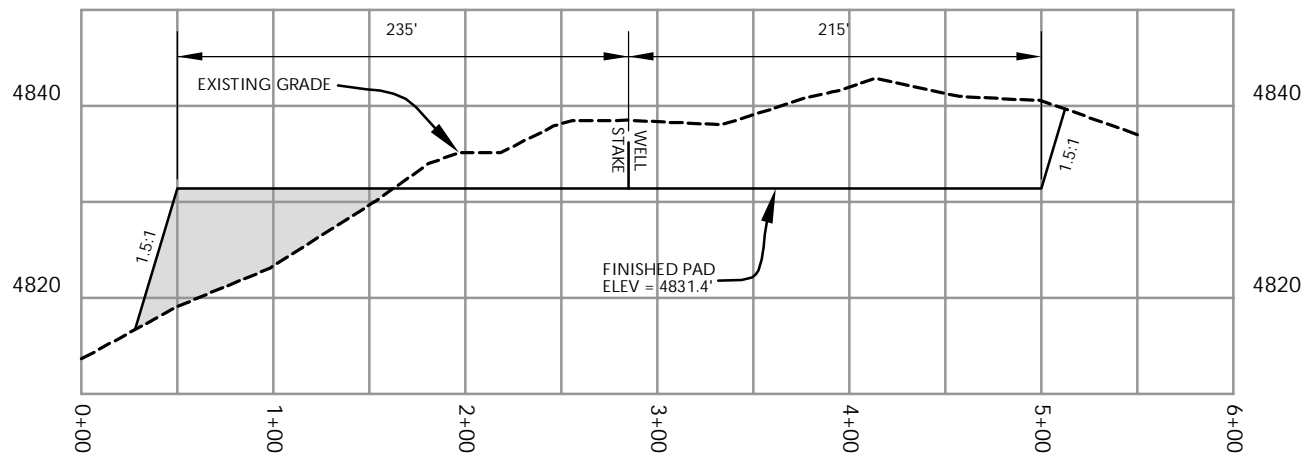
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REVISD:	SEA 10/9/09

SHEET NO:
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2 OF 9

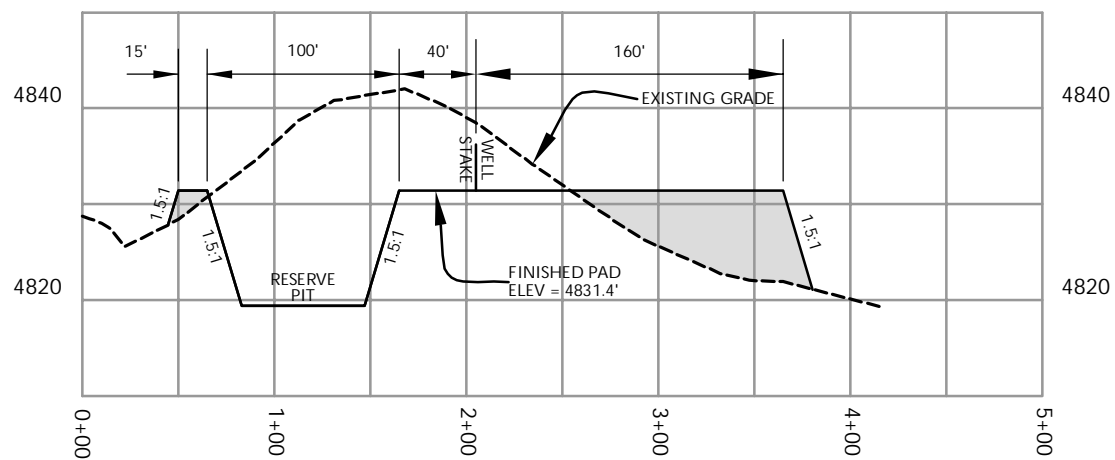
TIMBERLINE
ENGINEERING & LAND SURVEYING, INC.
209 NORTH 300 WEST - VERNAL, UTAH 84078

(435) 789-1365

HORIZONTAL 0 50 100 1" = 100'
2' CONTOURS



CROSS SECTION A-A'



CROSS SECTION B-B'

Kerr-McGee Oil & Gas Onshore, LP
1099 18th Street - Denver, Colorado 80202

WELL PAD - NBU 921-12P

WELL PAD - CROSS SECTIONS
NBU 921-12P

1128' FSL, 1300' FEL
SE1/4 SE1/4 OF SECTION 12, T9S, R21E
S.L.B.&M., UINTAH COUNTY, UTAH



CONSULTING, LLC
371 Coffeen Avenue
Sheridan WY 82801
Phone 307-674-0609
Fax 307-674-0182

Scale: 1"=100'

Date: 6/18/09

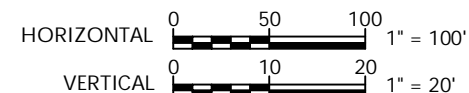
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3 OF 9

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SEA
10/9/09



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(435) 789-1365

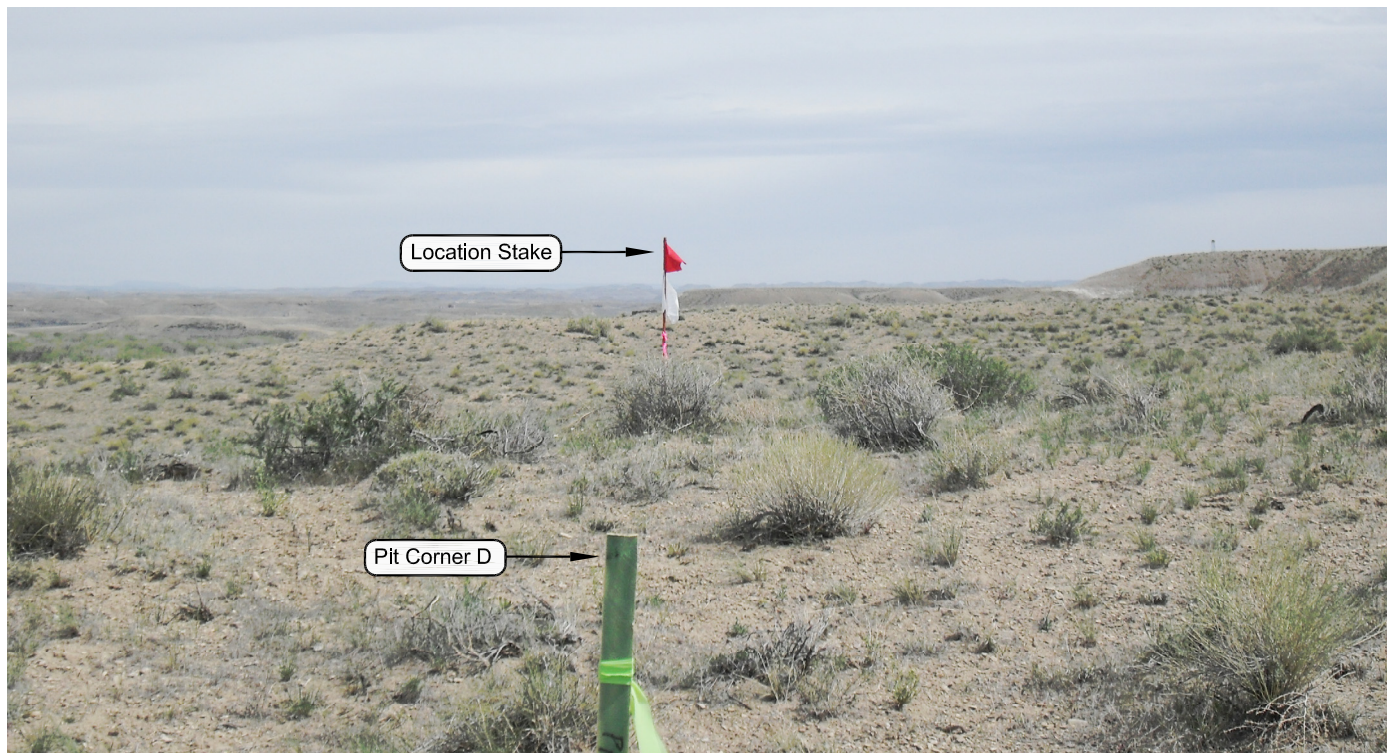


PHOTO VIEW: FROM PIT CORNER D TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: NORTHEASTERLY

Kerr-McGee Oil & Gas Onshore, LP
1099 18th Street - Denver, Colorado 80202

Well Pad - NBU 921-12P

**NBU 921-12P
LOCATION PHOTOS
1128' FSL, 1300' FEL
SE $\frac{1}{4}$ SE $\frac{1}{4}$ OF SECTION 12, T9S, R21E,
S.L.B.&M., UINTAH COUNTY, UTAH.**



CONSULTING, LLC
371 Coffeen Avenue
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Phone 307-674-0609
Fax 307-674-0182

TIMBERLINE

(435) 789-1365

ENGINEERING & LAND SURVEYING, INC.
209 NORTH 300 WEST - VERNAL, UTAH 84078

DATE PHOTOS TAKEN: 05-01-09	PHOTOS TAKEN BY: M.S.B.	SHEET NO: 4 4 OF 9
DATE DRAWN: 05-05-09	DRAWN BY: K.K.O.	
Date Last Revised:		

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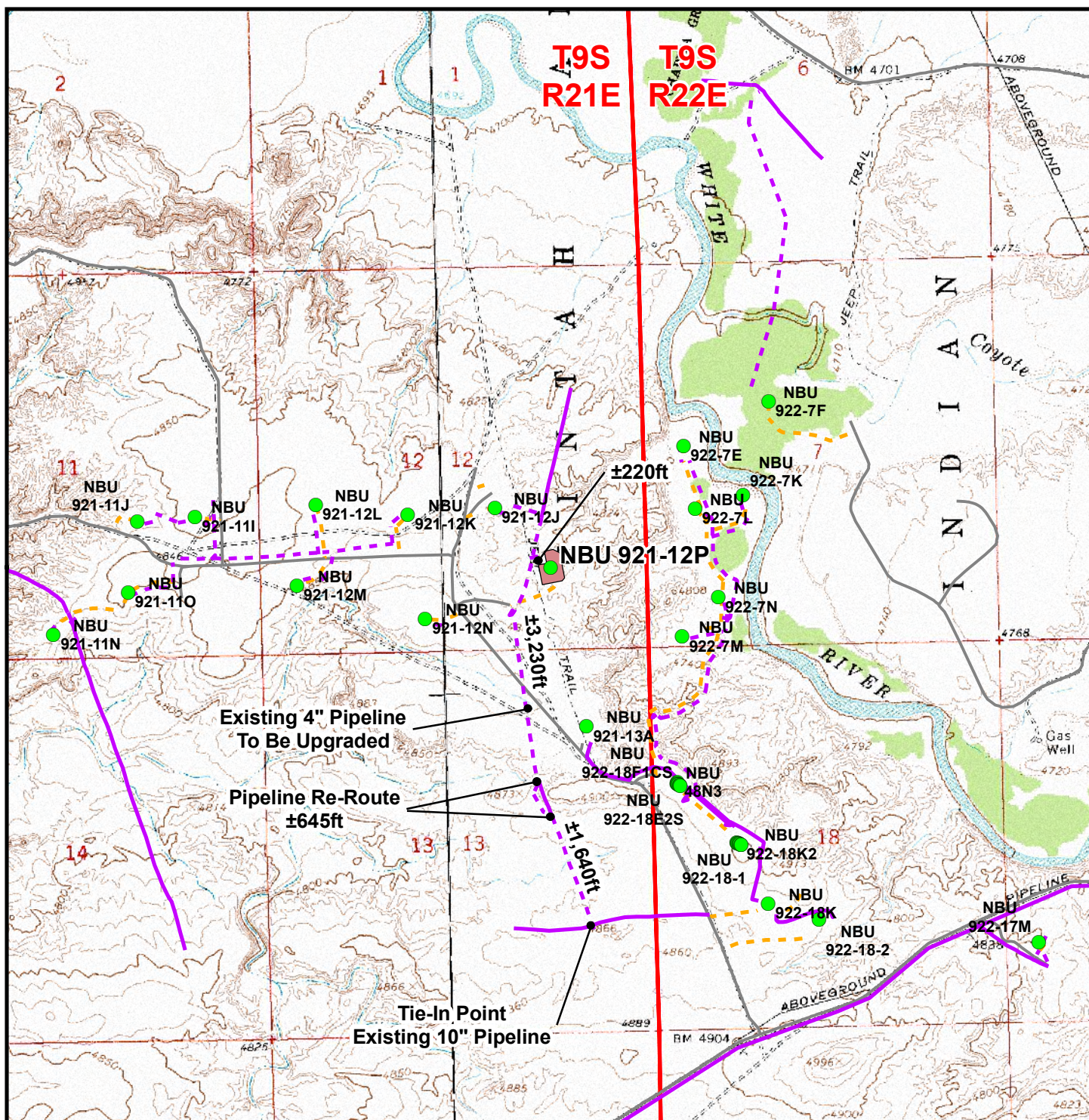


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'APIWellNo:43047508670000'





Legend

- Well - Proposed
- Well Pad
- - - Pipeline - Proposed
- - - Road - Proposed
- Pipeline - Existing
- Road - Existing

Proposed Pipeline Length From Tie-In Point To Edge Of Pad: ±5,735ft
Proposed Pipeline Length Around Pad: ±660ft

Kerr-McGee Oil & Gas Onshore, LP
1099 18th Street, Denver, Colorado 80202

Well Pad - NBU 921-12P

NBU 921-12P

Topo D

1128' FSL, 1300' FEL

SE¼ SE¼, Section 12, T9S, R21E

S.L.B.&M., Uintah County, Utah



Scale: 1" = 2,000ft	NAD83 USP Central	Sheet No:
Drawn: JELO	Date: 15 May 2009	8
Revised: JELO	Date: 12 Oct 2009	

8 of 9

Kerr-McGee Oil & Gas Onshore, LP
WELL PAD - NBU 921-12P
WELL – NBU 921-12P
Section 12, T9S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 13.9 MILES TO THE JUNCTION OF STATE HIGHWAY 88. EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION ALONG STATE HIGHWAY 88 APPROXIMATELY 16.8 MILES TO OURAY, UTAH. FROM OURAY, PROCEED IN A SOUTHERLY DIRECTION ALONG THE SEEP RIDGE ROAD (COUNTY B ROAD 2810) APPROXIMATELY 11.2 MILES TO THE INTERSECTION OF THE GLEN BENCH ROAD (COUNTY B ROAD 3260). EXIT LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY, THEN NORTHEASTERLY DIRECTION ALONG THE GLEN BENCH ROAD APPROXIMATELY 13.0 MILES TO A SERVICE ROAD TO THE NORTHWEST. EXIT LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION ALONG THE SERVICE ROAD APPROXIMATELY 1.0 MILES TO THE INTERSECTION OF A SECOND SERVICE ROAD TO THE NORTHWEST. EXIT RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION ALONG THE SECOND SERVICE ROAD APPROXIMATELY 0.4 MILES TO A THIRD SERVICE ROAD TO THE NORTHEAST. EXIT RIGHT AND PROCEED IN A NORTHEASTERLY, THEN EASTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE EOG 57-12B WELL SITE. PROCEED EASTERLY APPROXIMATELY 240 FEET CROSSING THE WELL SITE TO THE PROPOSED ACCESS ROAD. FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 740 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE WELL LOCATION IS APPROXIMATELY 56.6 MILES IN A SOUTHERLY DIRECTION.

NBU 921-12P

Surface: 1,128' FSL 1,300' FEL (SE/4SE/4)
Sec. 12 T9S R21E

Mineral Lease: UTU 01193
Surface Owner: Ute Indian Tribe
Operator: Kerr-McGee Oil & Gas Onshore LP

Uintah, Utah

ONSHORE ORDER NO. 1

***MULTI-POINT SURFACE USE & OPERATIONS PLAN
SUBMITTED WITH SITE-SPECIFIC INFORMATION***

This Application for Permit to Drill (APD) is filed under the Notice of Staking (NOS) process as stated in Onshore Order No. 1 (OSO #1) and supporting Bureau of Land Management (BLM) and Bureau of Indian Affairs (BIA) documents. An NOS was submitted showing the surface location in SE/4 SE/4 of Section 12 T9S R21E.

This Surface Use Plan of Operations (SUPO) or 13-point plan provides the site-specific information for the above-referenced wells. This information is to be incorporated by reference into the Master Development Plan (MDP) for Kerr-McGee Oil & Gas Onshore LP (Kerr-McGee). The MDP is available upon request from the BIA-Ft Duchesne Office.

An on-site meeting was held on September 1, 2009. Present were:

- Verlyn Pindell, Dave Gordon – BLM;
- Bucky Secakuku – BIA
- Bradley Pinnecoose – Ute Indian Tribe
- Scott Carson – Smiling Lake Consulting, Inc.
- Kolby Kay, Mitch Batty – 609 Consulting, LLC
- Nick Hall – Grasslands Consulting, Inc.
- Hal Blanchard, Charles Chase, Tony Kazeck and Raleen White – Kerr-McGee.

A. Existing Roads:

- A) Refer to Topo Map A for directions to the location.
- B) Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

B. Planned Access Roads:

See MDP for additional details on road construction.

Approximately $\pm 740'$ (± 0.14 miles) of new access road is proposed. Please refer to the attached Topo Map B. No pipelines will be crossed with the new construction.

Existence of pipelines; maximum grade; turnouts; major cut and fills, culverts, or bridges; gates, cattle guards, fence cuts, or modifications to existing facilities were determined at the on-site and are typically shown on the attached Exhibits and Topo maps.

C. Location of Existing Wells Within a 1-Mile Radius:

Please refer to Topo Map C.

D. Location of Existing and Proposed Facilities:

See MDP for additional details on Existing and Proposed Facilities.

The following guidelines will apply if the well is productive.

Approximately $\pm 6,395'$ (± 1.21 miles) of pipeline construction is proposed for this well. This includes a portion of new pipeline, upgrading existing pipeline, and a 645' of pipeline re-route. Please refer to the attached Topo Map D for existing pipeline. Appropriate surface use agreements have been or will be obtained from the Ute Indian Tribe. Pipeline segments will be welded or zaplocked together on disturbed areas in or near the location, whenever possible, and dragged into place

At the onsite, Kerr-McGee agreed to the following:

- Bring in gravel/pit-run
- Re-route washes around well pad into the natural drainage
- Construct low-water crossings on access road
- Bring in corner #12 to try and avoid cactus

E. Location and Type of Water Supply:

See MDP for additional details on Location and Type of Water Supply.

Water for drilling purposes will be obtained from one of the following sources:

- Dalbo Inc.'s underground well located in Ouray, Utah, Sec. 32 T4S R3E, Water User Claim number 43-8496, application number 53617.
- Price Water Pumping Inc. Green River and White River, various sources, Water Right Number 49-1659, application number: a35745.

No water well is to be drilled on this lease.

F. Source of Construction Materials:

See MDP for additional details on Source of Construction Materials.

G. Methods of Handling Waste Materials:

See MDP for additional details on Methods of Handling Waste Materials.

Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites:

RNI in Sec. 5 T9S R22E
NBU #159 in Sec. 35 T9S R21E
Ace Oilfield in Sec. 2 T6S R20E
MC&MC in Sec. 12 T6S R19E
Pipeline Facility in Sec. 36 T9S R20E
Goat Pasture Evaporation Pond in SW/4 Sec. 16 T10S R22E
Bonanza Evaporation Pond in Sec. 2 T10S R23E

H. Ancillary Facilities:

See MDP for additional details on Ancillary Facilities.

None are anticipated.

I. Well Site Layout: (See Location Layout Diagram)

See MDP for additional details on Well Site Layout.

All pits will be fenced according to the following minimum standards:

- Net wire (39-inch) will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.
- Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.
- All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

J. Plans for Reclamation of the Surface:

See MDP for additional details on Plans for Reclamation of the Surface.

Kerr-McGee shall call the BIA for the seed mixture prior to starting interim and/or final reclamation actions.

K. Surface/Mineral Ownership:

The well pad and access road are located on lands owned by:

Ute Indian Tribe
PO Box 70
Fort Duchesne, Utah 84026
435-722-5141

The mineral ownership is listed below:

United States of America
Bureau of Land Management
170 South 500 East
Vernal, UT 84078
435-781-4400

L. Other Information:

See MDP for additional details on Other Information.

M. Lessee's or Operators' Representative & Certification:

Danielle Piernot
Regulatory Analyst
Kerr-McGee Oil & Gas Onshore LP
PO Box 173779
Denver, CO 80217-3779
(720) 929-6156

Tommy Thompson
General Manager, Drilling
Kerr-McGee Oil & Gas Onshore LP
PO Box 173779
Denver, CO 80217-3779
(720) 929-6724

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Bureau of Land Management Nationwide Bond WYB000291.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that I have full knowledge of the State and Federal laws applicable to this operation; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.


Danielle Piernot

December 18, 2009
Date

CLASS I REVIEW OF KERR-MCGEE OIL & GAS
ONSHORE LP'S PROPOSED NBU 921-12P WELL LOCATION
(TOWNSHIP 9S, RANGE 21E, SECTION 12)
UINTAH COUNTY, UTAH

By:

Nicole Shelnut

Prepared For:

Ute Tribal Land
Uintah and Ouray Agency

Prepared Under Contract With:

Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, Utah 84078

Prepared By:

Montgomery Archaeological Consultants, Inc.
P.O. Box 219
Moab, Utah 84532

MOAC Report No. 09-067b

October 14, 2009

United States Department of Interior (FLPMA)
Permit No. 09-UT-60122

Ute Tribal Permit No. A09-363

IPC #09-167

Paleontological Reconnaissance Survey Report

**Survey of Kerr McGee's Proposed Onsite Changes and Pipeline
Upgrades to "NBU #921-10M, 10O, 11L, 12N & 12P"
(Sec. 10-13, T 9 S, R 21 E)**

**Ouray SE & Red Wash SW
Topographic Quadrangles
Uintah County, Utah**

December 11, 2009

Prepared by Stephen D. Sandau
Paleontologist for
Intermountain Paleo-Consulting
P. O. Box 1125
Vernal, Utah 84078



Grasslands Consulting, Inc.

4800 Happy Canyon Road, Suite 110, Denver, CO 80237

(303) 759-5377 Office (303) 759-5324 Fax

SPECIAL STATUS PLANT AND WILDLIFE SPECIES REPORT

Report Number: GCI #100

Operator: Kerr-McGee Oil & Gas Onshore LP

Well: NBU 921-12P (well bore NBU 921-12P)

Pipeline: Associated pipeline leading to proposed well pad

Access Road: Associated access road leading to proposed well pad








































Location: Section 12, Township 9 South, Range 21 East; Uintah County, Utah

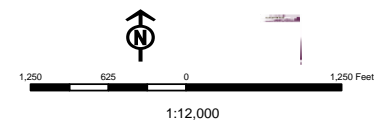
Survey-Species: Uinta Basin Hookless Cactus (*Sclerocactus wetlandicus*)

Dates: well pad: July 22, 2009, pipeline upgrade: September 15, 2009.

Observers: Grasslands Consulting, Inc. Biologists: Nick Hall, Dan Hamilton, Matt Kelahan, Donovan Marino, and Jonathan Sexauer. Technicians: Nick Merrick and Chad Johnson.

Weather: Partly cloudy, 50-70°F, 0-5 mph winds with no precipitation.

Units	Wells Query
	 <all other values>
	Status
	 APD - Approved Permit
	 DRL - Spudded (Drilling Commenced)
	 GIW - Gas Injection
	 GS - Gas Storage
	 LA - Location Abandoned
	 LC - New Location
	 OPS - Operation Suspended
	 P - Plugged Abandoned
	 PGW - Producing Gas Well
	 POW - Producing Oil Well
	 RET - Returned APD
	 SGW - Shut-in Gas Well
	 SOW - Shut-in Oil Well
	 TA - Temp. Abandoned
	 TW - Test Well
	 WDW - Water Disposal
	 WIW - Water Injection Well
	 WSW - Water Supply Well



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:

3160

(UT-922)

January 11, 2010

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2010 Plan of Development Natural Buttes Unit
Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2010 within the Natural Buttes Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
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(Proposed PZ WASATCH-MESA VERDE)

43-047-50854	NBU 1021-103AS	Sec 01 T10S R21E 0393 FSL 2439 FEL
	BHL	Sec 01 T10S R21E 0368 FSL 2037 FEL

43-047-50855	NBU 1021-12A2BS	Sec 01 T10S R21E 0355 FSL 2427 FEL
	BHL	Sec 12 T10S R21E 0338 FNL 1070 FEL

43-047-50856	NBU 1021-12B3DS	Sec 01 T10S R21E 0374 FSL 2433 FEL
	BHL	Sec 12 T10S R21E 1160 FNL 2250 FEL

43-047-50857	NBU 1021-12B4BS	Sec 01 T10S R21E 0336 FSL 2422 FEL
	BHL	Sec 12 T10S R21E 0897 FNL 1747 FEL

43-047-50865	NBU 921-11L	Sec 11 T09S R21E 2410 FSL 0358 FWL
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43-047-50866	NBU 921-11N	Sec 11 T09S R21E 0322 FSL 2386 FWL
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43-047-50867	NBU 921-12P	Sec 12 T09S R21E 1128 FSL 1300 FEL
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43-047-50872	NBU 921-27D3AS	Sec 27 T09S R21E 2151 FNL 2041 FWL
	BHL	Sec 27 T09S R21E 0957 FNL 0472 FWL

43-047-50873	NBU 921-27E2AS	Sec 27 T09S R21E 2169 FNL 2049 FWL
	BHL	Sec 27 T09S R21E 1443 FNL 0598 FWL

43-047-50874	NBU 921-27F2BS	Sec 27 T09S R21E 2132 FNL 2033 FWL
	BHL	Sec 27 T09S R21E 1443 FNL 1570 FWL

API #	WELL NAME	LOCATION
(Proposed PZ WASATCH-MESA VERDE)		
43-047-50875	NBU 921-27F3CS	Sec 27 T09S R21E 2187 FNL 2057 FWL BHL Sec 27 T09S R21E 2486 FNL 1582 FWL
43-047-50876	NBU 921-27F4DS	Sec 27 T09S R21E 2206 FNL 2065 FWL BHL Sec 27 T09S R21E 2467 FNL 2440 FWL
43-047-50877	NBU 921-27C1BS	Sec 27 T09S R21E 1710 FNL 2189 FEL BHL Sec 27 T09S R21E 0056 FNL 2238 FWL
43-047-50878	NBU 921-27C3BS	Sec 27 T09S R21E 1750 FNL 2184 FEL BHL Sec 27 T09S R21E 0971 FNL 1423 FWL
43-047-50879	NBU 921-27C4DS	Sec 27 T09S R21E 1730 FNL 2187 FEL BHL Sec 27 T09S R21E 1191 FNL 2525 FWL
43-047-50880	NBU 921-27G2CS	Sec 27 T09S R21E 1770 FNL 2181 FEL BHL Sec 27 T09S R21E 1904 FNL 2565 FEL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Natural Buttes Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:1-11-10

WORKSHEET

APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/18/2009

API NO. ASSIGNED: 43047508670000

WELL NAME: NBU 921-12P

OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P. (N2995)

PHONE NUMBER: 720 929-6156

CONTACT: Danielle Piernot

PROPOSED LOCATION: SESE 12 090S 210E

Permit Tech Review: ☒

SURFACE: 1128 FSL 1300 FEL

Engineering Review: ☒

BOTTOM: 1128 FSL 1300 FEL

Geology Review: ☒

COUNTY: UINTAH

LATITUDE: 40.04636

LONGITUDE: -109.49460

UTM SURF EASTINGS: 628420.00

NORTHINGS: 4433778.00

FIELD NAME: NATURAL BUTTES

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU 01193

PROPOSED PRODUCING FORMATION(S): WASATCH-MESA VERDE

SURFACE OWNER: 2 - Indian

COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

☒ **PLAT**

☒ **Bond:** FEDERAL - WYB000291

☐ **Potash**

☒ **Oil Shale 190-5**

☐ **Oil Shale 190-3**

☐ **Oil Shale 190-13**

☒ **Water Permit:** Permit #43-8496

☐ **RDCC Review:**

☐ **Fee Surface Agreement**

☒ **Intent to Commingle**

Commingle Approved

LOCATION AND SITING:

☐ **R649-2-3.**

Unit: NATURAL BUTTES

☐ **R649-3-2. General**

☐ **R649-3-3. Exception**

☒ **Drilling Unit**

Board Cause No: Cause 173-14

Effective Date: 12/2/1999

Siting: 460' fr u boundary & uncommitted tract

☐ **R649-3-11. Directional Drill**

Comments: Presite Completed

Stipulations: 3 - Commingle - ddoucet
4 - Federal Approval - dmason
17 - Oil Shale 190-5(b) - dmason



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Permit To Drill

Well Name: NBU 921-12P
API Well Number: 43047508670000
Lease Number: UTU 01193
Surface Owner: INDIAN
Approval Date: 1/13/2010

Issued to:

KERR-MCGEE OIL & GAS ONSHORE, L.P., P.O. Box 173779, Denver, CO 80217

Authority:

Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of Cause 173-14. The expected producing formation or pool is the WASATCH-MESA VERDE Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

Commingling:

In accordance with Board Cause No. 173-14, commingling of the production from the Wasatch formation and the Mesaverde formation in this well is allowed.

General:

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

Conditions of Approval:

State approval of this well does not supercede the required federal approval, which must be obtained prior to drilling.

In accordance with the Order in Cause No. 190-5(b) dated October 28, 1982, the operator shall comply with the requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operators shall ensure that the surface and or production casing is properly cemented over the entire oil shale section as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the division.

Notification Requirements:

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- Within 24 hours following the spudding of the well – contact Carol Daniels at 801-538-5284

(please leave a voicemail message if not available)

OR

submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at <https://oilgas.ogm.utah.gov>

Reporting Requirements:

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) – due within 5 days of spudding the well
- Monthly Status Report (Form 9) – due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) – due prior to implementation
- Written Notice of Emergency Changes (Form 9) – due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) – due prior to implementation
- Report of Water Encountered (Form 7) – due within 30 days after completion
- Well Completion Report (Form 8) – due within 30 days after completion or plugging

Approved By:

A handwritten signature in black ink, appearing to read "Gil Hunt", with a stylized, flowing script.

Gil Hunt
Associate Director, Oil & Gas

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU 01193
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Tr
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: NBU 921-12P
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1128 FSL 1300 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESE Section: 12 Township: 09.0S Range: 21.0E Meridian: S		9. API NUMBER: 43047508670000
PHONE NUMBER: 720 929-6007 Ext		9. FIELD and POOL or WILDCAT: NATURAL BUTTES
COUNTY: UINTAH		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 1/13/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
 Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) respectfully requests an extension to this APD for the maximum time allowed. Please contact the undersigned with any questions and/or comments. Thank you.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 01/13/2011

By:

NAME (PLEASE PRINT) Danielle Piernot	PHONE NUMBER 720 929-6156	TITLE Regulatory Analyst
SIGNATURE N/A		DATE 1/11/2011



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047508670000

API: 43047508670000

Well Name: NBU 921-12P

Location: 1128 FSL 1300 FEL QTR SESE SEC 12 TWP 090S RNG 210E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 1/13/2010

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☐ Yes ☒ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

Approved by the
Utah Division of
Oil, Gas and Mining

Signature: Danielle Piernot

Date: 1/11/2011

Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE,

Date: 01/13/2011

By: 

RECEIVED January 11, 2011

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU 01193
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: NBU 921-12P
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1128 FSL 1300 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESE Section: 12 Township: 09.0S Range: 21.0E Meridian: S		9. API NUMBER: 43047508670000
5. FIELD and POOL or WILDCAT: NATURAL BUTTES		9. FIELD and POOL or WILDCAT: NATURAL BUTTES
COUNTY: UINTAH		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 1/13/2012 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </div> <div style="width: 33%;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </div> <div style="width: 33%;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100%;" type="text"/> </div> </div>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) respectfully requests an extension to this APD for the maximum time allowed. Please contact the undersigned with any questions and/or comments. Thank you.		
NAME (PLEASE PRINT) Danielle Piernot		PHONE NUMBER 720 929-6156
SIGNATURE N/A		TITLE Regulatory Analyst
DATE 1/5/2012		APPROVED BY: <div style="text-align: right;"> Approved by the Utah Division of Oil, Gas and Mining Date: January 09, 2012 By: </div>



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047508670000

API: 43047508670000

Well Name: NBU 921-12P

Location: 1128 FSL 1300 FEL QTR SESE SEC 12 TWNP 090S RNG 210E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 1/13/2010

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☐ Yes ☒ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

Signature: Danielle Piernot

Date: 1/5/2012

Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District-Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410

<http://www.blm.gov/ut/st/en/fo/vernal.html>



MAY 14 2012

IN REPLY REFER TO:
3160 (UTG011)

Julie Jacobson
Anadarko Petroleum Corporation
Kerr McGee Oil & Gas Onshore LP
1099 18th Street, Suite 600
Denver, CO 80202

43 047 50867

Re: Request to Return APD
Well No. NBU 921-12P
SESE, Sec. 12, T9S, R21E
Uintah County, Utah
Lease No. UTU-01193
Natural Buttes Unit

Dear Ms. Jacobson:

The Application for Permit to Drill (APD) for the above referenced well received in this office on December 28, 2009, is being returned unapproved per a request to this office in an email message from you received on April 23, 2012. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

If you have any questions regarding APD processing, please contact Cindy Severson at (435) 781-4455.

Sincerely,

Jerry Kenczka
Assistant Field Manager
Lands & Mineral Resources

Enclosures

cc: UDOGM

RECEIVED

MAY 22 2012

DIV. OF OIL, GAS & MINING